

REPORT

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CD NO.

DATE DISTR. 14 October 1955

NO. OF PAGES

NO. OF ENCLS.
(LISTED BELOW)

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**SUPPLEMENT TO
REPORT NO.**

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES. WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U. S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON

THIS IS UNEVALUATED INFORMATION

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1. At a meeting of DIA Feinmechanik/Optik on 12 May 1955,

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25X1

The meeting was headed by Hans Bussacker, Chief Director of DIA Feinmechanik/Optik, Walter Eidner, Director of Mechanics, Peter (fma), Director of Trade Policy, and was attended by representatives of the contractors and DIA members. The committee demanded from the contractors shorter delivery dates, better quality goods, lower prices, and a larger selection of goods because the expansion of export trade is a vital problem for East Germany. The DIA representatives were of the opinion that this goal could be reached only if the factories would store up a supply of material and not wait with the production until DIA had given them a contract. But since there was no hope that the government would grant the necessary credit for the purchase of raw materials and for the storage of finished goods, the meeting closed without result. All participants of the meeting agreed that the East German export trade had reached a crisis caused by the bureaucratic treatment in the DIA's.

2. In May 1955, the Ministry for Finance objected to the export prices of DIA Feinmechanik/Optik. The Ministry demanded from the DIA the proof for the necessity of the usual governmental subsidy to be paid for the current export program.

The Ministry demanded that DEM raise the price of export goods since these conventions would be unworkable. DEM, however, is of the opinion that this cannot be done because, due to the world market, all customers are demanding lower prices.

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1. **Comments:** Formerly reported as Johannes Bugacker.

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